



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

**COUNTY OF LOS ANGELES
CHIEF INFORMATION OFFICE**

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February 18, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT NUMBER FIVE TO MASTER SERVICES
AGREEMENT NUMBER 76043 WITH ORACLE AMERICA, INC.**

(ALL DISTRICTS – 3 VOTES)

SUBJECT

The Chief Information Office is requesting Board approval of Amendment Number Five to County Master Services Agreement Number 76043 with Oracle America, Inc. to extend the Agreement term for two additional two-year term extensions and delegate authority to the Chief Information Officer to update the Agreement terms and conditions during the life of the Agreement.

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Chairman of the Board to sign the attached Amendment Number Five (Amendment) to County Master Services Agreement Number 76043 (Agreement) with Oracle America, Inc. (Oracle) to:

1. Extend the term of the Agreement to provide for up to two additional two-year term extensions through February 19, 2018.
2. Delegate authority to the Chief Information Officer (CIO), or his designee, to update the Agreement terms and conditions during the life of the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The CIO is requesting approval of the Amendment to extend the term of the Agreement to provide for up to two additional two-year term extensions through February 19, 2018, without changing the

maximum annual limit for Work Orders (WO's) executed under the Agreement. This Amendment will also enable the County's CIO to update the Agreement terms and conditions during the life of the Agreement.

This Agreement provides a structure that streamlines the acquisition process for highly-skilled Oracle technical services. These technical resources assist with the planning and implementation of Oracle technologies, enable timely problem resolution, and ensure that Oracle product capabilities are maximized.

Agreement engagements are executed through a WO process. Since February 20, 2007, sixteen (16) WO's have been issued under the Agreement with a total value of \$17,855,281.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goal Number 1: Operational Effectiveness. The Agreement offers the flexibility necessary to meet varied departmental needs while providing a structure for acquiring desired services through a streamlined acquisition process that is standard across the entire enterprise.

FISCAL IMPACT/FINANCING

By approving this Amendment, departments will continue to acquire services under WO's relating to Oracle. Funding will continue to be obtained from the budgets of departments that are requesting issuance of WO's under the Agreement.

The administrative provisions of the Agreement require confirmation that department funding is available before each individual WO is executed and all WO's that exceed \$300,000 will be subject to Board review and approval.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 20, 2007, your Board approved Master Agreement Number 76043 with Oracle USA, Inc., for an initial three-year term and two additional two-year extensions upon mutual agreement of the parties. The total amount authorized for expenditure under the Agreement is not to exceed \$3 million per year.

On February 9, 2010, your Board approved Amendment Number One to exercise the first option to extend the term for two years through February 20, 2012.

On September 21, 2010, your Board approved Amendment Number Two to recognize Oracle America, Inc. as the successor-in-interest to Oracle, USA, Inc., and to increase the annual maximum contract sum from \$3 million to \$4 million for Calendar Year (CY) 2010 to accommodate departmental demand for Oracle professional and consulting services.

On February 14, 2012, your Board approved Amendment Number Three to extend the term of the Agreement from February 20, 2012 to February 20, 2014.

On April 16, 2013, your Board approved Amendment Number Four that consisted of three recommendations:

1. Approve and delegate authority to the CIO to:

- Increase the total annual amount authorized for expenditure under the Agreement from \$3 million to \$12 million for CY 2013; to \$11 million for CY 2014; and to \$4 million for CY 2015 subject to extension of the Agreement beyond the expiration date of February 20, 2014; and
- Revise language to clarify that the terms and conditions of the Agreement are applicable to WO's with a term that extends beyond the termination or expiration date of the Agreement.

2 and 3.

- Your Board approved Amendment Number Four to delegate authority to the CIO, at the request of the Director of Health Services (DHS), to execute a WO for consulting services under the Agreement with Oracle for Phase One of the design, development, and implementation of an Enterprise Patient Data Repository (EPDR), at a maximum amount of \$10,836,700 and Phase Two of the design, development and implementation of EPDR at a maximum amount of \$6,800,000. These significant changes were required as part of the new payment methodology under 1115 Waiver and Affordable Care Act.

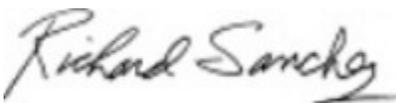
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this Amendment will provide County departments with continued access to professional and technical resources relating to Oracle products and solutions. There will be no impact upon, or interruption of, the current services being provided by Oracle.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer-Clerk of the Board return one (1) adopted stamped copy of the Board letter and three (3) executed copies of the Amendment to the CIO for further processing.

Respectfully submitted,



RICHARD SANCHEZ
Chief Information Officer

RS:pa

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel

**AMENDMENT NUMBER FIVE
TO
MASTER SERVICES AGREEMENT
BY AND BETWEEN
THE COUNTY OF LOS ANGELES
AND
ORACLE AMERICA, INC.
FOR INFORMATION TECHNOLOGY SERVICES**

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MASTER SERVICES AGREEMENT BY AND BETWEEN
THE COUNTY OF LOS ANGELES AND
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INFORMATION TECHNOLOGY SERVICES**

This Amendment Number Five to Master Services Agreement for Information Technology Services (“Amendment No. 5”) is entered into as of _____ day of February, 2014 by and between the County of Los Angeles, a political subdivision of the State of California, (“County”), and Oracle America, Inc., a Delaware corporation (“Contractor”), with references to the following facts.

RECITALS

WHEREAS, County and Contractor entered into that certain Master Services Agreement for Information Technology Services, which was approved by the County’s Board of Supervisors on February 20, 2007 and modified by all Amendments thereto, including without limitation this Amendment Number Five (the “Agreement”).

WHEREAS, the parties now wish to further amend the Agreement in order (i) to provide for up to two additional two-year term extensions through February 19, 2018, the first upon execution of this Amendment No. 5 and the second by delegated authority granted to County’s CIO; and (ii) to obtain the delegated authority to add and/or update during the term of the Agreement County required terms and conditions.

NOW, THEREFORE, pursuant to Paragraph 10 (Change Notices and Amendments) of the body of the Agreement and in consideration of the mutual covenants of the parties contained herein, County and Contractor agree to amend the Agreement as follows:

1. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined therein, shall have full force and effect as if fully set forth herein.
2. A new Paragraph 10.1.5 (Extended Term Amendments) is added at the end of Paragraph 10.1 (Entire Agreement) to read as follows:

“10.1.5 **EXTENDED TERM AMENDMENTS**

Notwithstanding any other provision of this Paragraph 10.1 (Entire Agreement), (i) the option to extend the term of the Agreement beyond the Initial Term for the first two-year period of the Extended Term shall be exercised upon execution by the parties of Amendment Number Five to the Agreement, and (ii) County’s CIO shall be expressly authorized to execute Amendment(s) on behalf of County for exercising any remaining option(s) of the Extended Term to extend the term of the Agreement further by two-year periods.”

3. A new Paragraph 10.1.6 (County Required Amendments) is added at the end of Paragraph 10.1 (Entire Agreement) to read as follows:

“10.1.6 COUNTY REQUIRED AMENDMENTS

Notwithstanding any other provision of this Paragraph 10.1 (Entire Agreement), County’s CIO shall be expressly authorized to execute Amendment(s) on behalf of County for adding new to the Agreement or updating existing County required provisions, including, but not limited to, those relating to Insurance, Information Security, Defaulted Property Tax Reduction Program and the Business Associate Agreement.”

3. Paragraph 11 (Term) of the body of the Agreement is deleted in its entirety and replaced with the new Paragraph 11 (Term) revised to read as follows:

“11. TERM

11.1 Unless otherwise specified in this Agreement, the term of this Agreement shall commence upon the Effective Date and shall expire seven (7) years thereafter (hereinafter “Initial Term”), unless sooner terminated or extended, in whole or in part, as provided in this Agreement. Upon expiration of the Initial Term, or any period of the Extended Term (as defined below), County may, upon mutual agreement, renew this Agreement for up to two (2) consecutive two-year terms (hereinafter “Extended Term”) two (2) years at a time by executing an Amendment in accordance with Paragraph 10 (Change Notices and Amendments), provided that if this Agreement is not so extended, the remaining option(s) shall automatically lapse. As used herein, the term of this Agreement shall mean the Initial Term and the Extended Term.

11.2 Notwithstanding the provisions of Paragraph 11.1 above or anything to the contrary in this Agreement, in the event any Work Order executed prior to the termination of the Agreement continues beyond the termination of this Agreement, the term of the Agreement, including any such Work Order, shall continue until the Work Order has been completed or the Agreement has otherwise been terminated in accordance with Paragraph 25, 26, 27, 28 or 29, as applicable.”

4. Contractor’s contact information under Paragraph 61 (Notices) of the body of the Agreement is hereby deleted in its entirety and replaced with the following:

“Oracle America, Inc.
Gena DeRemer
608.354.3631
gena.deremer@oracle.com

Oracle America, Inc.
Zoe V. Ornstein
323.821.1205
zoe.ornstein@oracle.com

6. In all other respects, the Agreement, as amendment under all prior Amendments and this Amendment No. 5, shall remain in full force and effect.

IN WITNESS WHEREOF, County and Contractor by their duly authorized signatures have caused this Amendment Number Five to the Agreement to be effective on the day, month and year first above written.

COUNTY OF LOS ANGELES:

By _____

DON KNABE
Chairman, Board of Supervisor

CONTRACTOR: ORACLE AMERICA INC.

By *Douglas W. Stanley*
Signature

ATTEST:
SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

Douglas W. Stanley
Print Name

By: _____
Deputy

Sr. Deal Manager
Title

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By *[Signature]*

VICTORIA MANSOURIAN
Principal Deputy County Counsel